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Record U.S. Farm Exports to EC

Canada's Poultry Problems

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In this issue:

This week's cover:

Loading U.S. grain for shipment to the European Community. Last fiscal year's record U.S. agricultural shipments to the Community included unusual quantities of grain that moved in to compensate for the previous year's short supplies. See story beginning this page.

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EXPORTS of U.S. agricultural products to the European Community advanced sharply during fiscal 1971 to a record $1.77 billion—25 percent above fiscal 1970. This advance, continuing from the small rise that began last year, represents a short-term gain for some commodities covered by the EC's variable-levy system—mainly wheat and feedgrains. It also represents the continuation of a long-term gain for some commodities not covered by that system—mainly oilseeds and products.

The gain for variable-levy items stems principally from Europe's poor grain crops of 1969–70. Unusual quantities of both U.S. feedgrains and wheat moved in to counter the slump of over 7 million tons in EC grain production and stocks.

For non-variable-levy commodities, however, the total gain has been steady since the institution of the Community's Common Agricultural Policy (CAP) in August 1962. This is particularly true of oilseeds and products—the one consistent bright spot in U.S.-EC agricultural trade.

EC Grain Slump Spurs Record Sales Of U.S. Farm Goods To EC in FY 1971

Opposite, Dutch elevators unload U.S. sorghum and corn; above, young Belgian boars.

For the 3 years before the inception of the CAP, total U.S. exports to the EC of the items later to be covered by variable levies averaged about $340 million a year. Shipments of variable-levy commodities declined the first year after the CAP went into effect; then they registered temporary gains during the transitional period of the CAP, to a record $718 million in 1965–66, before declining again sharply in 1966–67 and reaching a low of $356 million in 1969–70. In 1970–71, the gains in wheat and feedgrains temporarily reversed the downward trend that had prevailed in these exports since 1965–66—a year before the unification of prices.

U.S. exports of feedgrains to the EC, except for their rise to $349 million in 1970–71, have deteriorated rapidly since price unification. Before then, these exports had shown a rapid growth to $537 million (10 million metric tons) in 1965–66. From that record level, they fell steadily to $247 million (4.7 million tons) in 1969–70.

The European Community stepped up its self-sufficiency in feedgrain production from about 80 percent in 1955–56 to 85 percent in 1969–70. Meanwhile, its utilization of feedgrains rose 15.8 million tons, or 53 percent.

But after 1965–66, the United States did not share in this expanding EC use of feedgrains. The 1970–71 gain in U.S. feedgrain exports stemmed from the previous year's sharp reductions in EC production and stocks of grains. Overall grain supplies were down by over 7 million tons. Production, primarily of wheat, dropped over 3 million, and stocks at the beginning of the year were down by another 4 million, owing to the heavy subsidization of wheat for export and for feeding.

U.S. exports of wheat to the EC have fluctuated widely from year to year, ranging from a high of $188 million in 1956–57 to a low of only $35 million in 1964–65. They rebounded to $102 million in 1965–66, but declined steadily to $47 million 4 years later.

These fluctuations reflect changes both in the course of EC wheat production and in the volume of wheat taken from competing suppliers. After price unification, production jumped 18 percent, with higher yields resulting from large inputs of fertilizers and improved seeds accounting for much of the gain. But in addition, weather conditions in Europe were ideal for grain production during the 3 crop years 1967–69.

By 1969, EC wheat output had risen to 31.5 million tons, from 23.1 million in 1961. In this period, intra-EC trade increased sharply while imports from third countries generally fell. From a net wheat importer of 3.5 million tons in 1961–62, the EC changed to a net exporter of 3.8 million tons in 1969–70. In 1970–71, however, a 2-million-ton drop in its wheat harvest made it again a net importer, to the tune of about 400,000 tons; the United States alone shipped it $82 million worth (1.3 million tons). But, if this year's prospective record wheat crop materializes, the EC will return to net export status in 1971–72.

Although the Community has emphasized the improvement of the protein level of its soft wheat, EC countries continue to import much high-protein wheat from the United States for blending with indigenous wheat to obtain the desired baking quality. Large quantities of U.S. durum wheat are shipped to France and Italy for the manufacture of pasta products. But the high variable levy, which averaged nearly $50 per ton of wheat in 1970–71, has encouraged EC millers to use more domestic wheat.

U.S. exports of rice, at $21 million, were down sharply from the $32 million worth sold in 1969–70. Even though U.S. supplies were plentiful, Brazil, Uruguay, and Argentina supplied a larger share of the EC market, because of their very competitive export prices. Before last year, U.S. exports of long-grain rice had been showing moderate gains since the mid-1960's, reflecting the preference of Northern Europeans for this type of rice, which is not produced in the EC. Both France and Italy produce short-grain rice, most of which is consumed locally or exported.

U.S. exports of poultry meat have

shown substantial declines since the inception of the variable levies. From $65 million in 1961–62, U.S. shipments of poultry and eggs dropped steadily to less than $12 million in 1970–71. The total for 1961–62 was somewhat inflated by large shipments made near the end of the year to avoid the levies.

U.S. exports had gained rapidly from $436,000 in 1955–56 (the year before the Rome Treaty established the EC), to reach the 1962 peak. In those years the United States was competitive in the European countries (primarily West Germany) because import duties and the U.S. cost of production were both relatively low; and in the early EC period, U.S. exports to the EC advanced rapidly with the substantial gains in consumer income and the favorable prices of poultry meats in relation to red meats.

But the stimulation of high prices and the protection of the variable levies have trebled EC poultry production since the beginning of the CAP, and the Community is now self-sufficient in poultry meat, except for turkeys. The variable levy being relatively low on dressed turkeys, the United States has continued to export sizable quantities of turkey meat to the EC, mainly turkey parts. Total import charges on parts, however, are now at such a high level that U.S. exports are being reduced.

U.S. exports of other variable-levy items such as pork, beef, lard, and dairy products have generally shown a downward trend since the inception of the variable levies. Higher import prices due to the efficacy of the levies have shifted more of the EC's consumption to internal production—except for beef, of which the EC has imported more from other third countries than from the United States.

Non-variable-levy exports.—U.S. exports of non-variable-levy commodities to the EC have generally shown an uptrend since the inception of the CAP; but their composition has shifted significantly during this period. Cotton exports, for example, trended steeply downward from their high of $402 million in 1956–57. But the decline in cotton was more than offset by the rapid advance in soybeans and products. Exports of tobacco, variety meats, and nuts also have gained substantially.

U.S. exports of oilseeds and products to the EC advanced to a record $760 million in 1970–71 from $595 million a year earlier. The rapid growth in exports of soybeans and products has been the brightest part of the U.S.-EC trade picture. These exports have expanded at about 10 percent a year since 1955–56. When higher per capita income lifted EC demand for meat and other livestock products. EC livestockmen expanded production through improved methods including high-protein rations.

High grain prices further stimulated the use of protein meal, especially soybean; alternative protein sources, mainly fishmeal and peanut meal, not only were in short supply but were not completely substitutable for soy protein. The EC imports nearly all of the protein supplements used by its mixed feed industry; the United States supplies about half of the total.

The EC is the top foreign market for U.S. protein meal, primarily soybean meal. Shipments rose to a record $253 million (2.9 million tons) in 1970–71 from $205 million (2.3 million tons) a year earlier and $32 million (500,000 tons) in 1961–62. U.S. exports of protein meal continued to advance despite the substantial expansion of oilseed crushing capacity in the Community, for the EC's meal demand outpaced its meal production from imported oilseeds. Since the EC requirement for meal is considerably larger than that for vegetable oils, the Community normally exports a large part of the oil extracted from U.S. soybeans.

U.S. exports of vegetable oils increased to $22 million from only $18 million the year before. A large part of this value increase stemmed from higher prices. About half of the exports were cottonseed oil. But most of the demand for vegetable oil is met by the oil extracted from U.S. soybeans. U.S. cottonseed oil exports totaled $42 million in 1956–57 but have declined since then because of smaller U.S. production and higher prices.

U.S. tobacco exports (including cut tobacco in bulk) increased by one-fifth to $171 million. The increase was due to larger exports to West Germany, the Netherlands, and Italy, reflecting the rebuilding of reduced stocks in those countries and also apprehension over the possibility of shipping disturbances in U.S. ports.

Europeans have a preference for the taste and aroma of U.S. tobacco. However, the future of the EC as a major growth market for U.S. tobacco is uncertain. The tobacco CAP, which went into effect in 1970, raised support prices and provided for buyer's premiums—discounts for the purchase of domestically grown leaf.

U.S. exports of cotton advanced for the first time in 4 years. They totaled $35 million, nearly double the previous year's $18 million. The downtrend in U.S. cotton production, increased use of manmade fibers in the EC, and a general uptrend in cotton production in the Foreign Free World all contributed to the decline in U.S. exports during the past decade. Shipments in 1970–71 benefited from larger U.S. supplies and competitive prices, coupled with sharp

(*Continued on page 16*)

Feeder bulls, West Germany. U.S. exports of beef to the EC have moved downward with those of other variable-levy items.

Canada's Big Poultry and Egg Industry Is Plagued by Problems of Growth

By WILLIAM C. BOWSER
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Canada's poultry and egg production is booming, and the reverberations are being felt in the United States as well as within the Provinces.

Protective policies of some Provincial marketing boards and the buildup of the industry in major producing areas have driven Canada's poultry and egg output to record levels in recent years.

In 1970, supplies in many areas exceeded both local and inter-Provincial needs. By the year's end, stocks of poultry meat, especially in Quebec, and egg stocks in Manitoba and Ontario, as well as some other Provinces, had become burdensome.

An inter-Provincial "chicken and egg war," which began in May 1970, has been fragmenting the Canadian market and influencing across-the-border trade with the United States. Continued overproduction and the disruption of normal trade patterns by Provincial marketing restrictions could lead to difficult situations. One situation already has had a sharp impact on U.S. sales abroad.

In February 1971, the Canadian Government, seeking to bring some relief to the Quebec broiler industry, authorized subsidy payments on exports of 3 million pounds of broilers and parts destined mainly for Japan and Hong Kong, two traditional U.S. markets. Up to this time, there had been practically no shipments to either of these two areas. Japan and Hong Kong, in turn, sharply curtailed their poultry purchases from the United States in favor of the lower priced Canadian products.

A formal U.S. protest followed and Canada assured the United States that the sales were a one-shot deal. It appears, however, that these shipments have enabled Canada to get a foothold in these lucrative markets.

The Quebec Association of Abbatoirs, in cooperation with the Provincial Government, reached an agreement with Japan in June of this year to supply 11 million pounds of broiler meat over a period of approximately 12 months.

Canada's egg situation also has been grim. The Government has stepped in and taken interim measures to stabilize egg prices to producers, which by the end of May had fallen to barely half of break-even costs in some Provinces. On July 14, the Federal Agricultural Products Board initiated a special 6- to 8-week program to buy eggs by means of weekly tenders. Most of these eggs will be converted to liquid and powder form and are expected to make up part of Canada's contribution to the World Food Program. The egg purchasing scheme could be continued beyond the original 6 to 8 weeks contingent upon industry efforts to bring egg production in line with market availability.

The bulk of the initial tenders, reportedly, came from Manitoba and Ontario and were for Grade A large eggs at about 28 cents a dozen.

The program, along with production deterrents, may have helped to strengthen prices in some of the more critical areas. For example, on June 8, prices to producers for Grade A large eggs at Winnipeg were reported at 12 to 16 cents a dozen and at Toronto at 21 to 24 cents. One month later, comparable prices had risen to 16–21 cents and 23–26 cents. By August 19, prices had jumped to 24–27 cents and 28–32 cents a dozen in the respective markets.

The control of Canada's poultry and egg production is largely in the hands of the Provincial marketing boards. Of Canada's 120 agricultural boards, about 18 are concerned with broilers, turkeys, and eggs. They are located in eight of the country's 10 Provinces. The Agricultural Marketing Act, 1949, as amended, extends power to Provincial boards enabling them to engage in inter-Provincial and export trade and to collect fees for other than administrative expenses.

Essentially the agricultural marketing boards are producer-oriented organizations which initiate programs to manage supplies. Their primary objective is to control production through marketing quotas to producers. Frequently, prices also are set at the producer level. In most cases, a maximum share of the Provincial market is the ultimate goal, which frequently means virtual self-sufficiency. When effective, these programs tend to eliminate competition between producers in the controlled areas. However, prices often are stabilized too high to compete with products from other producing regions or Provinces.

As long as the total domestic output of poultry meat and eggs remained well below national needs, marketing board operations were largely a matter of Provincial concern. However, the rapid growth in nearly all sectors of the industry in the past few years combined with a high degree of specialization in some Provinces, has resulted in a substantial rise in inter-Provincial trade.

Expo '67 created a new market for

EFFECTIVE DATES OF IMPORT CONTROLS ON POULTRY PRODUCTS BY PROVINCIAL MARKETING BOARDS, 1970

Province	Broilers	Turkeys	Eggs
	Date	*Date*	*Date*
Quebec	....	....	May 11
British Columbia	August 24	....	....
Ontario	September 3	....	....
New Brunswick	September 18	....	....
Nova Scotia	September 18	....	....
Alberta	October 15	....	October 16
Saskatchewan	October 23	October 13	October 23
Manitoba	October 26	October 23	....

Source: J. R. Cavers, Canadian Agricultural Outlook Conference, 1970.

broilers in Quebec and producers rapidly increased their output and moved toward highly integrated operations to meet this demand. After Expo closed, Quebec found it relatively easy to move its surplus—some 30 percent above the Province's needs—into Ontario and other areas.

In due course, areas eager to supply a larger share of their own markets secured Provincial legislative authority to impose marketing controls and restrictions on all poultry products, regardless of origin. Thus, the "chicken and egg war" was underway.

Quebec's Federation of Producers of Consumer Eggs (FEDCO) established the first Provincial import controls on May 11, 1970. All eggs from areas outside the Province were required to go through FEDCO egg-grading stations, be marketed in FEDCO cartons, be identified by source, and conform to the same marketing and pricing regulations applicable to Quebec producers.

Manitoba and Ontario marketing boards retaliated (overreacted, according to FEDCO) by establishing equally strong restrictions on the movement of broilers into their Provinces. Other Provinces joined the conflict. By the end of October 1970, eight Provinces had restrictive regulations on "imports" of competitive products.

The Federal Government in Ottawa realized that continued Provincial trade practices could seriously disrupt normal marketing channels on a national and international scale. Early this year, it began pressing for passage of Bill C–176—the Farm Products Marketing Agencies Act—which would establish a national marketing council and authorize the creation of national marketing agencies. The council would review and coordinate the activities of the agencies. The agencies, in turn, would have the power to implement a marketing plan to promote, regulate, and control the marketing of any regulated product in inter-Provincial or export trade. The agencies also would be empowered to fix the quantity, price, time, and place of the product to be marketed.

The Government held off final enactment of the Bill until the Supreme Court of Canada ruled on the Manitoba Egg Marketing Scheme. This Scheme, deliberately patterned on the FEDCO restrictions, was declared unconstitutional by the Court on June 30.

In July, the Provincial ministers of agriculture met with Federal Minister of Agriculture H. A. Olson. The meeting, reportedly, produced agreement in principle on a plan that could end the chicken and egg war.

Although no details have been released, reports indicate the plan is probably based on agreement between marketing boards and councils to allocate markets based on 3 years' production and marketings (1968–1970). A special committee has been designated to formalize the agreement and work out the details.

Bill C–176 probably will be presented again to Parliament when it convenes in September. Chances of its passage during this session are considered good.

It is probable that the interruption of normal trade between the Provinces in 1970 was partly responsible for relatively recent changes in the pattern of trade between Canada and the United States for some major poultry items. The restrictive measures between Provinces also must have created some uncertainties in U.S. trade circles as to their effect on U.S. exports to Canada. On the other hand some sales to the United States were made as a result of the disturbances in domestic trade.

However, a review of supply-distribution data over the past 5 years indicates that the steady, relatively rapid growth in Canadian output of poultry and eggs is the primary reason for the rather sharp drop in Canadian imports of U.S. shell eggs and poultry meat in 1970.

For example, inspected imports of consumption eggs in 1970 totaled only 560,000 dozen compared with 3.1 million dozen in 1969 and 9 million dozen in 1967. The United States has been by far the principal supplier. In contrast, U.S. imports of shell eggs from Canada totaled 6.7 million dozen in 1970 as compared with 459,000 dozen in 1969 and 369,000 dozen in 1967. Similarly, Canadian exports of 2.1 million pounds of chicken meat (mainly broilers) in 1970 exceeded imports for probably the first time on record. More significantly, perhaps, exports of turkey meat in 1970 totaled 5.2 million pounds, nearly 10 times the 1969 level, while imports dropped to less than 300,000 pounds.

The United States still holds a favorable balance of trade with Canada in all poultry and egg products, with exports of $12.9 million in 1970 against imports of $8.1 million. However, comparable 1969 data, showing exports at $15.7 million against imports of only $3.4 million, sharply illustrate how quickly the pattern of U.S.-Canada

YOUNG CHICKENS, TURKEYS, EC

Year	Stocks Jan. 1	Product
Young chickens:[1]	*1,000 pounds*[2]	*1,00 pound*
1966	11,946	485,75
1967	19,730	513,25
1968	15,746	519,89
1969	15,861	609,31
1970[3]	20,511	662,6
1971[3]	30,434	...
Turkeys:		
1966	24,736	213,1
1967	30,296	207,6
1968	31,936	200,3
1969	33,680	202,1
1970[3]	26,545	225,3
1971[3]	32,230	..
Eggs:[4]	*1,000 dozen*	*1,00 doze*
1966	5,490	416,8
1967	4,590	442,1
1968	[5] 8,340	452,9
1969	[6] 4,138	471,2
1970[3]	[6] 2,237	495,6
1971[3]	[6] 5,801	..

[1] Mainly broilers. [2] Eviscerated w [3] Preliminary. [4] Excludes eggs used hatching (1,000 dozen): 1966, 2 1967, 23,488; 1968, 24,636; 1969, 2

trade in poultry and eggs can change.

The emergence of the Provincial marketing boards in Canada probably did much to increase domestic production and hastened the approach toward national self-sufficiency. Their supply-management programs tended to reduce cyclical swings in prices and output and their control of markets at attractive prices encouraged producers to maximize their production opportunities.

There are strong views, both pro and con, regarding the need and benefits of the Provincial marketing boards as they are presently operated. The desirability of a national marketing umbrella also is in question. The exact outcome of the July meetings in Ottawa between Provincial representatives and national officials has not yet been ascertained.

It is hoped that Canada will somehow resolve its Provincial differences and be able to eliminate restrictive practices within the poultry industry.

Regarding across-the-border trade in poultry meat and eggs between the United States and Canada, it also is hoped that such traditional forces as competitive pricing under relatively free market conditions will be the principal criteria governing trade relations in the years ahead.

LY AND DISPOSITION, 1966-71

ports	Exports	Domestic consumption
,000 unds[2]	1,000 pounds[2]	1,000 pounds[2]
995	808	482,157
812	361	520,693
409	429	523,762
539	851	607,354
720	2,059	652,342
...	....	....
255	1,062	206,760
142	65	212,076
169	105	202,692
076	548	209,800
277	5,192	214,707
...	....	....
00 zen	1,000 dozen	1,000 dozen
734	1,070	411,072
554	1,045	433,547
189	724	442,734
137	2,200	456,964
86	7,062	466,665
...	....	....

970, 30,945. [5] Includes fresh eggs in . [6] Excludes fresh eggs in storage. ion Bureau of Statistics, Agriculture n, Canada.

Korean Tobacco Exports Reduced As Farmers Turn to Other Crops

Because of dissatisfaction with tobacco prices and the relative profitability of alternative crops—particularly raw silk and vegetables—large numbers of Korean farmers have turned away from tobacco culture, at least for the present, creating the likelihood of a tobacco shortfall in 1971.

Recognizing this possibility, the Korean Office of Monopoly raised its buying price during the planting season in the spring of 1971, and when this failed to swing farmers back to tobacco growing, it reduced the 1971 leaf tobacco export target from 19,000 metric tons to 15,600. In terms of value, the reduction would be from $14.5 million to $12.5 million.

Early in the planting season, the Monopoly Office had set its purchase price at a level 20 percent higher than 1970's. This apparently failed to provide farmers with sufficient profit margin because planting area recorded in late March was 25 percent short of the Office's goal for 1971.

At this time the Office again increased its purchase price of leaf 43 percent over last year's level. Although burley tobacco planting was still underway at the time, and the Office had announced it would automatically approve any farmer's application for permission to raise tobacco, in July it reduced the export goal for leaf tobacco by 3,400 tons.

Korean production of leaf tobacco underwent varying fortunes during the sixties. In 1960, leaf output was some 28,000 metric tons.[1] Except for 1963, when production fell off, the trend for the decade was gradually upward, reaching nearly 72,000 tons in 1966. Tobacco production fell off to 66,000 tons in 1967, recovered the following year and climbed again to 69,000 tons, then started a falloff that lasted the rest of the decade.

In 1970, area was increased—by more than 10,000 acres—but production dropped by 3,000 tons. Excessive rainfall was one of the major causes.

[1] Statistics in this paragraph are from FAS-M 217, *Tobacco Production and Trade in the Republic of Korea;* all other statistics are from the Korean Office of Monopoly.

The original production figure for 1971 was for 85,000 tons of leaf tobacco from 111,442 acres. A new target figure will undoubtedly be set because of the expected drop in production.

During the 1960's, Korean exports and consumption of tobacco have increased. Domestic use in 1962 was 30,624 metric tons; there were no exports. By 1969 domestic consumption had jumped to 48,110 metric tons and total tobacco exports were 21,509 tons.

In 1970 Korea's tobacco exports totaled $14.1 million. Dominating these was leaf tobacco valued at $13.4 million; exports of tobacco products totaled $666,000.

One element in the growth of domestic demand in Korea has been the uptrend in consumption of filter cigarettes. Only 10.6 percent of Korea's cigarette production was filter cigarettes in 1960; by 1969 this percentage had risen to 47.4 percent.

Total cigarette production during that period had increased 250 percent, and output of filter cigarettes had grown from 1.5 billion pieces in 1960 to 16.9 billion in 1969. By 1973, consumption of filter cigarettes is expected to grow to 24.9 billion pieces, while that of nonfilter cigarettes is expected to increase to 21.8 billion.

Korea's cigarettes are usually blends of domestic and foreign tobaccos purchased from a number of sources, including Germany and the United States.

Korea's trade schedule for 1971, however, calls mainly for the import of 1,200 tons of leaf tobacco from Turkey. The Monopoly Office will import half of the 1,200 tons directly to see if elimination of importers' payments will produce a substantial savings.

Korea first imported Turkish tobacco for blending in 1966. Between 1966 and 1969 Korean imports of Turkish tobacco jumped from 84 metric tons to 1,074 tons, and value rose to $1.2 million. In 1970, however, Korea imported just 350 tons of Turkish tobacco. Thus, if the 1971 import target remains fixed, Korean imports from Turkey will reach a new high level.

—Based on a dispatch from
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SHORTAGES HAMPER INDIA'S COTTON TEXTILE INDUSTRY

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THE Indian cotton textile industry, beset by unprecedented obstacles during 1970–71, faces uncertainties in the future.

The main difficulties stem from an exceptionally short domestic cotton crop during 1970–71, sharp price increases resulting from this and insufficient imports, disruption of traditional raw cotton trade patterns through creation of the Cotton Corporation of India (CCI), severe credit restrictions on financing raw cotton purchases by the Reserve Bank of India, and Government policies pertaining to production of price-controlled cloth. As a result of these problems and continuing shortages of domestically produced cotton, India will continue to need large supplies of imported cotton.

The outlook at the beginning of the 1970–71 season was for an average cotton crop of about 5 million bales (all bales are 480 lb. net), which under normal circumstances—bolstered by imports of approximately 600,000 bales—would have been sufficient to meet domestic consumption requirements. However, in September 1970 unusually heavy rains in the major cotton producing States of Gujarat and Maharashtra caused considerable crop damage and reduced earlier expectations to about 4.5 million bales. The full extent of the damage was not realized until some time in November when prices rose sharply to levels of 40 to 80 percent above the previous year. Except for short periods of price fluctuations, these high levels were maintained throughout the season.

From time to time numerous schemes have been set forth by the Indian Government to improve yields of the domestic cotton crop. India has the largest acreage in the world planted to cotton but also has one of the lowest yields. The main cause is that approximately 85 percent of the cotton produced in that country is grown without irrigation on land where rainfall is often sparse and uncertain. Very little can be done to improve yields by the introduction of better varieties as long as inadequate water supply is the limiting factor. Farmers have been reluctant to shift their cotton to irrigated land because they get higher returns by growing food grains under irrigation.

There are two strains of cotton that have proved to be successful, especially in irrigated areas. These are Hybrid-4, grown mainly in Gujarat, and MCU-5, which has been cultivated in South India.

The Government promised the industry last year that it would import approximately 1.1 million bales of foreign cotton to supplement the domestic production shortfall. Unofficial estimates are that by the end of June 1971 actual arrivals were about 40 percent short of this anticipated goal.

In the fall of 1970 the CCI, a corporation wholly owned by the Government of India, was established, considerably changing the pattern of trading in imported cotton (see "The Effects of Cotton Nationalization in India," *Foreign Agriculture,* Dec. 28, 1970). The original understanding between the trade and the CCI stated that the latter would only purchase imported cotton for Government-run mills and for those private mills which elected the CCI as their import agent.

During early 1971 more and more import allocations were given to the CCI by the Government at the expense of private importers. In fact, 60 percent of the cotton shipped under the 1970–71 P.L. 480 agreement was allocated to the CCI. The announced original intent of, and main purpose for, the establishment of the CCI was to reduce the cost of imported cotton to the mills.

Previously baled cotton was imported in the name of the mills; consequently it was not necessary to transfer title of the imported cotton. At present cotton is imported in the name of the CCI and is then sold to the mills. This makes necessary the payment of a 3-percent sales tax. In addition mills have to pay 1 to 2 percent to the CCI for charges

Indian cotton views (from top): an improved variety being grown experimentally (FAO photo); opening room in spinning mill; cloth manufactured from fiber supplied under P.L. 480 being sold in New Delhi cloth shop.

(1 percent to the CCI and an undisclosed amount to the private trade, which is still assisting the CCI in its purchases). Therefore, the mills pay at least 4 to 5 percent more for imported cotton than they did in previous years when the private trade dominated cotton imports.

Unless present Government policies change, it is anticipated that the CCI will take over not only all foreign cotton imports but also the purchase of domestic cotton. This year, on an intermediate basis, the State of Maharashtra —one of the larger cotton-producing States—has been granted permission by the Central Government to monopolize the purchase of domestic cotton within the State commencing this season.

Since May 1968 at least 25 percent of textile-mill output has had to be so-called price-controlled cloth. Each mill that fails to meet its quota must pay a penalty of 6 paise (or 0.8 U.S. cent) for each square meter it fell below its allotment. (An exemption to the penalty was granted, equal to the quantity of cloth produced for export.)

Because it was more lucrative to produce non-price-controlled cloth and pay the small penalty, production of price-controlled cloth fell from about 13 percent of total output in the early part of 1970 to as low as 2 percent in the last quarter of 1970. In order to remedy this situation and have sufficient price-controlled cloth available for lower income groups, the Government proposed raising the penalty fourfold. However, this proposal was shelved, and an agreement was reached with the Indian Cotton Mills Federation for the joint financing of a program for the subsidized production of 100 million square meters of price-controlled cloth during the period June to August 1971. This has now been extended through November with a target of 125 million square meters for the second period.

The cost of this subsidy was estimated at approximately $7 million and was to be funded by a contribution of nearly $1 million from the Government, a levy amounting to $49 per 480-pound bale on P.L. 480 cotton imports totaling nearly $5 million, and an undetermined levy of at least this much on other foreign cotton imports.[1] A levy of 6 to 15 paise (0.8 to 2 U.S. cents) per meter on finer cloth varieties manufactured by all mills for domestic consumption will add about $1 million.

One of the most serious obstacles facing the cotton trade and mills this year was stringent credit restrictions applied by the Reserve Bank of India in December 1970 to arrest rising cotton prices. Minimum margin requirements for the trade were increased from 40 to 60 percent and were supposed to be raised to 75 percent as of May 31, 1971. However, a delay of 1 month to June 30 was granted, and later another, to September 30.

In the case of mills, margin requirements were also raised but were linked to the quantity of stocks allotted to them by the Textile Commissioner's Office.

The steps taken to prevent cotton prices from rising too rapidly have proven to be ineffectual. About 80 mills have closed because of insufficient working capital, thus adding another 20,000 workers to the country's pool of unemployed laborers.

Projections published by the Indian Council of Agricultural Research show that cotton consumption by 1975 will reach about 6.5 million bales while production will still lag at about the 5.7-million-bale level. This would leave a deficit of approximately 800,000 bales, giving the United States the opportunity to export cotton to India at about the same level as during the past few years.

Present levies applied against imported foreign cotton have been changed to the following: Sudan cotton, $65.33 per bale, Egyptian, $63.33, and U.S. and other cotton, $60 per bale.

During 1965–66 to 1969–70, India imported an average of 244,000 bales of U.S. cotton annually. In fiscal 1971, the United States shipped an estimated 252,000 bales of cotton to India including 155,000 under P.L. 480 and 97,000 for cash sales. India also is estimated to have imported, during FY 1971, 170,000 bales from the U.A.R., 175,000 bales from the Sudan, 70,000 bales from East Africa, and 50,000 bales from other countries.

In addition to clothing the population, the Indian cotton textile industry is the third largest foreign-exchange earner after jute and tea. If the industry is to maintain this performance it will have to overcome some of the problems that now hinder its efficient operation and growth.

[1] This is in addition to $24.50 per bale for P.L. 480 cotton and from $41 to $45 on other cotton imports, collected for textile export promotion.

Trinidad's Development Project Aids Farmers and Farm Trade

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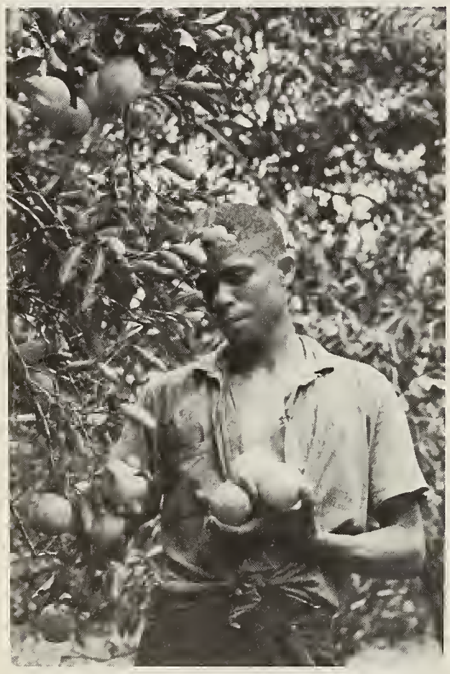
Seven years ago the Government of Trinidad and Tobago—a union of two islands located in the Caribbean Sea off the coast of Venezuela—inaugurated a program that has since relocated over 1,000 farm families on 12,000 acres of nonagricultural land on Trinidad. Called the Crown Lands Development Project (CLDP), it has increased production of dairy and pork products as well as fruits, vegetables, and tobacco.

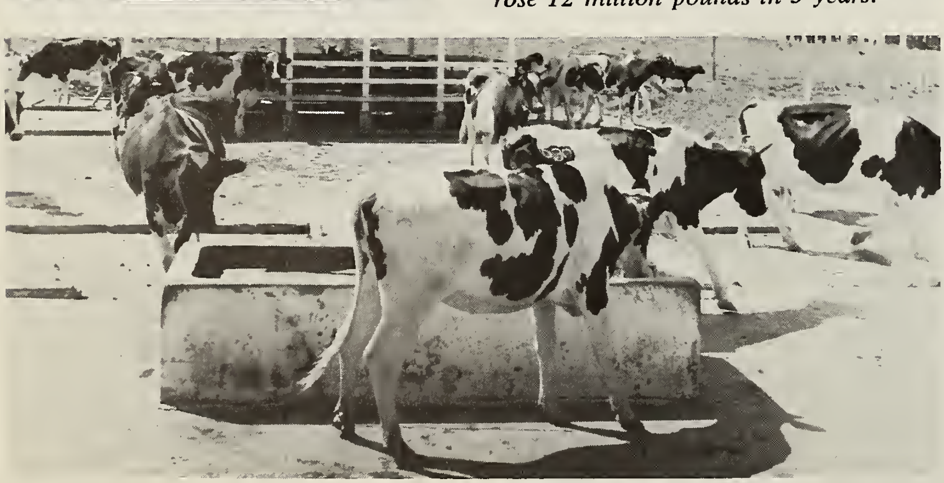
Because of the output engendered under the program and the growing needs of the farmers in the CLDP, there have been numerous changes in the country's import-export trade which have benefited agricultural producers in the United States.

Concern by Trinidad and Tobago Government officials about unemployment, the growing food-import bill, and an unreconciled decline in agriculture's share of the gross domestic product led to the formulation of the Crown Lands Development Project in 1964.

The Government of Trinidad and Tobago financed the project from 1965 to 1966, but assistance totaling $5 million from the World Bank and $470,000 from the Canadian Government was received in 1967. In addition, a Canadian loan of Can$1.7 million was floated to purchase dairy heifers from Canada.

Farmers leased farms which were classed in one of three stages of development—full, partial, or basic. For farms in the fully developed category—meaning dairy farms of 15–20 acres each, or swine farms of 5 acres each, or tree-crop farms of 10–12 acres each—farmers were given fully equipped farms which were stocked with animals or planted with trees. Housing was included.





Some CLDP farmers could not afford to wait for citrus trees to bear. But dairying was a success; annual milk output rose 12 million pounds in 5 years.

In the partial-development classification—meaning vegetable and food-crop farms of 5 acres each—the land was cleared and facilities such as water, roads, and electricity were provided. Farm buildings and houses were not included. Farmers were required to finance farm development themselves.

In the basic development category—meaning tobacco farms of 5–8 acres each and food-crop farms of 5 acres each—buildings and utilities were provided but the land was not cleared.

All farm inputs such as seed and planting material, fertilizers, and feeds are sold to the farmer at cost price and on varying credit terms.

The farm units were established at seven locations. Two of these, devoted mainly to dairying and hog farming, are of major importance, because of their greater size and the emphasis placed on increasing production from these classes of livestock.

The emphasis on dairying and hog farming has been responsible in large part for sizable increases in production of milk and pork between 1965 and 1970. Milk has gone from 952,700 pounds to 13 million, and pork from 2.5 million pounds to 4.6 million.

This rapid development in milk production has been due to the importation of Holstein heifers from Canada and the United States. By the end of 1970, 3,200 heifers were on CLDP farms with 1,512 offspring; and these farms were producing 71 percent, or 9.3 million pounds, of the country's fresh milk.

In the early stages, hog production on the CLDP also grew rapidly as the numbers of farms and of hogs on each farm multiplied. By 1969, CLDP farmers were producing 2.3 million pounds of pork, or 37.8 percent of the country's production. A $1.2-million meat packing plant was built in early 1970 with 37 percent U.S. private financing. However, surplus pork production and low prices in late 1970 caused output from the CLDP to fall 43 percent below the 1969 high to 1.3 million pounds; and pork sides were imported, mainly from the United States, to keep

the plant going.

Production of vegetables, food crops, and tobacco on the CLDP also registered increases as larger acreages were brought into cultivation. In 1969, the first year for tobacco farms under the project, 54,081 pounds of cured tobacco were produced from 45 acres. Production in 1970 was 91,803 pounds from 94 acres—up 69 percent.

From 1966 to the end of 1970, some 5,100 head of dairy animals were imported for the CLDP, 640 of which came from the United States. By May 1971, the total number imported was 5,700 head, 5,060 of which were of Canadian origin. These dairy cattle, as well as the hogs, increased demand for imported feed, while reducing imports of milk and pork.

Between 1960 and 1965 the volume of imported animal feedstuffs (unmilled grains, prepared feeds, meat meals, oilseed meals) grew 17.8 percent per year, then plummeted between 1965 and 1966 owing to stabilization of animal numbers. However, the build-up of hog and dairy herds on the CLDP increased the demand for feeds, and the import growth rate picked up to 8.3 percent between 1966 and 1970. In 1970, imports totaled 158.6 million pounds, of which 87.4 percent came from the United States.

Total imports of milk (fresh, condensed, evaporated, and dried) in 1960 were 34.6 million pounds and exports 973,838 pounds. During the following 5 years, growing local demand outstripped domestic supplies, thereby increasing imports while reducing exports. In 1965, imports were 42.3 million pounds, up 22 percent from 1960, but exports had fallen by 73 percent, to 263,493 pounds.,

From 1966 to 1970, mainly as a result of production from the CLDP, the situation changed, and although the growth rate of imports fell, that of exports grew rapidly. In 1970, milk imports were 50.4 million pounds and exports were 8.7 million pounds.

Pork and pork product imports (fresh and frozen pork, bacon, and uncanned hams and sausages) were at an alltime high in 1964, when 3.7 million pounds were imported, 1 million pounds of which came from the United States. However, by 1969 the increase in local hog production had whittled import requirements by 70 percent to 1.1 million pounds, while boosting exports to 308,656 pounds, nearly triple the 105,370 pounds exported in 1964.

Surplus pork production in 1969, and consequently lower prices, depressed the hog industry in 1970. As a result, imports jumped to 1.9 million pounds, 73 percent over the 1969 level, while exports fell by 62 percent to 117,336 pounds. U.S. pork captured 67 percent of the import market in 1970.

The volume of imported food crops and vegetables grew 1.5 percent per year from 1960 to 1965. From 1966 to 1970 these imports dropped 15 percent per year, though imports from the United States grew 10 percent per year.

The decline in food-crop and vegetable imports, from 43.9 million pounds in 1966 to 16.9 million in 1970, is attributable to the success of the Government's program to increase local food production, but the CLDP accounted for only a small part of the increase. While total food-crop imports decreased, the United States secured a part of the growing market for fresh vegetables—beans, carrots, cabbages—and increased exports from 2.7 million pounds in 1966 to 3.8 million in 1970.

The Crown Lands Development Project was originally scheduled to be completed by 1970, but has been extended to the end of 1972. The development of dairy farms has been delayed because some young heifers were imported instead of pregnant cows as originally intended. Pig farming was depressed in 1970 because many farmers considered it to be uneconomical, and establishment of tree-crop (citrus) farms was delayed because many farmers were financially unable to wait until the trees came into production.

The size of each type of farm was determined by the acreage needed to provide the farm family with a net income of $125 per month (at 1966 prices). However, while net farm income for the dairy farms had increased 75 percent above this level by 1970, many food-crop farmers were limited by lack of managerial expertise to farming 3 of their 5 allotted acres. In addition, some preferred to grow such crops as yams and sweet potatoes because of their experience with these crops, instead of the more profitable but more perishable green vegetables. Crop production was further restrained by the failure of many hog farmers to produce crops on available land.

Despite some of these shortcomings, the CLDP has succeeded in a number of areas; one of great economic, social and political importance has been the creation of more jobs.

At the end of 1970 over 1,000 families were settled on the new farms. In addition, some 1,600 workmen were clearing land, building roads, and constructing farm buildings, while 400 more were permanently employed in such projects as maintaining farm structures and field drains.

Farm products sold from the CLDP in 1970 were valued at $1,009,160, of which approximately $900,000 worth were destined for processing in agribusiness. One of these businesses, the meat packing plant employing 100 persons, was established as a result of the CLDP's operations. This has enhanced agriculture's contribution to the gross domestic product and it has provided over 1,000 more farm families with reasonable levels of income.

Increased production of milk and pork has significantly expanded the export trade in these commodities with other Caribbean Free Trade Association countries, thus allowing Trinidad to further benefit from the Free Trade Area agreement.

Between 1969 and 1970, tobacco production on the CLDP's rose 69 percent, from 54,000 pounds to 91,800 pounds.

Korea Increases Mushroom Exports, Develops Plan for Future Gains

Korea's booming mushroom industry has exceeded its export goal for the first 6 months of 1971—exports of canned mushrooms were valued at US$2.83 million, 10 percent over the goal of $2.43 million.

Principal markets were the United States (44 percent of total exports at $1.24 million) and West Germany (43 percent at $1.207 million). The Netherlands took 12 percent at $339,000.

Korea's interest in mushroom production for canning began in the early 1960's. First results were disappointing: By 1968, the value of canned mushrooms exports reached only $440,000.

Recognizing the need for new direction for the mushroom industry—and for most of Korean agriculture as well—the Government sponsored a new corporation called the Agriculture and Fishery Development Corporation (AFDC), which was founded in late 1967. The new organization was to spearhead agricultural development and production, and mushrooms were one of the crops singled out for special attention.

In 1968, AFDC launched a program to increase mushroom yields, which included the introduction of a new high-yield strain, improved cultivation methods, and control of pests and diseases. AFDC also helped construct a new mushroom growing and processing complex.

In addition, AFDC is licensed as an export-import trader and acts as export agent for smaller local canners. On August 5 of this year, AFDC signed a $1.7-million contract with a major U.S. processor for 414,000 cases of canned mushrooms for the U.S. market. The agreement includes 129,000 cases worth $270,000 from the fall 1971 crop and 285,000 cases worth $1.43 million from the 1972 crop.

AFDC announced plans in July to expand mushroom exports to the level of $30 million by 1977. The 5-year plan will cost $6.1 million in local funds and $1.35 million in foreign loans, and will establish four more mushroom processing plants with a daily processing capacity of 15 tons and an annual output of 1.7 million cases.

U.S. Breeding Cattle Exports May Be Up

U.S. breeding cattle exports will be aided by a new Export-Import Bank policy liberalizing financial assistance in the sale of U.S. beef and dairy breeding cattle.

Under the terms of the new agreement, the maximum term of repayment of loans for cattle sales of $75,000 or more (c.i.f. value) was raised from 3 to 5 years, with minimum cash payments lowered to 10 percent rather than 15 percent.

In addition, repayment for sales of $25,000 to $75,000 will be made in up to 4 years, and that for sales under $25,000 will be made in a maximum of 3 years.

Also included was a provision allowing annual rather than semiannual repayment to the Export-Import Bank in sales of beef breeding cattle. For dairy cattle, however, semiannual payments will still be in effect.

Nutri-Bun Marketed In the Philippines

Nutri-Bun, a high-protein food, made from U.S. wheat and fortified with milk, is now being sold commercially in the Philippines.

The bun was originally formulated by Wheat Associates for the Bureau of Public Schools' Feeding Program in the Philippines and was designed to provide a high percentage of a child's daily calorie and protein requirements. It proved so popular among school children that the Greater Manila Bakers Association (GMB) expressed an interest in working with Wheat Associates to introduce the bun on the commercial market. Consumer response to the bun has been spectacular, according to Mrs. S. Victor Aguinaldo, GMB secretary.

The Nutri-Bun represents a major breakthrough in making inexpensive calories and protein available to the public in the Philippines, where nutrition is a serious national concern. And the bun is gaining an international reputation. School-feeding programs in other countries are now inquiring about the product.

Argentina Suspends Further Exports of Sunflowerseed Oil

Exports of sunflowerseed oil were suspended on August 10 by the Argentine Government. The ban, which will run until March 1, 1972, was prompted by the small 1970–71 harvest of 830,000 metric tons of seed (oil equivalent of about 267,000 tons), down 27 percent from last year's record crop of 1,140,000 tons (oil equivalent of 367,000 tons).

Exports of this year's harvest to date, plus future commitments, are estimated at 35,000 metric tons of oil. Last year's exports, which were also under a ban in the latter half of the season, totaled 101,160 metric tons.

At least part of the losses in sunflowerseed oil should be offset by this year's peanut crop of 387,000 metric tons (oil equivalent of about 50,000 tons)—up 65 percent over last year's harvest.

New POP Promotions Planned for Japan

Two members of the Tamaya food chain in Kyushu, Japan, have requested USDA sponsorship for point-of-purchase food promotions. The stores were motivated by highly successful food festivals held in two other stores in the chain in July. The earlier promotions were in addition to 23 other promotions scheduled in Japan during May and June 1971.

The Tamaya management purchased U.S. processed foods and carried out the promotions on their own. The management had requested assistance from the Office of the U.S. Agricultural Attaché in Tokyo. The request, however, came too late to be included in a special import quota allocation from the Japanese Government and had to be denied. The USDA Trade Center office in Tokyo supplied such POP materials as were available; the stores supplemented this by producing booths, shopping bags, and other promotional items on their own account.

In addition, promotions involving 15 supermarket outlets are scheduled for September, if the stores can get foods from the west coast of the United States in time.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Sept. 15	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5.	1.97	+4	2.07
USSR SKS-14	1.90	+2	(1)
Australian FAQ	1.69	−3	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.89	+1	2.03
15 percent	1.98	+1	2.05
U.S. No. 2 Hard Winter:			
13.5 percent	1.80	0	1.96
No. 3 Hard Amber Durum..	1.80	−1	1.94
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter..	1.70	0	1.88
Feedgrains:			
U.S. No. 3 Yellow corn	1.38	−1	1.89
Argentine Plate corn	1.65	0	2.01
U.S. No. 2 sorghum	1.42	0	1.69
Argentine-Granifero sorghum	1.44	−3	1.72
U.S. No. 3 Feed barley	1.01	−5	1.54
Soybeans:			
U.S. No. 2 Yellow	3.37	—11	3.28
EC import levies:			
Wheat [2]	[4] 1.45	[4] 0	1.34
Corn [3]	[4] .95	[4] +3	.53
Sorghum [3]	[4] .93	[4] 0	.63

[1] Not quoted. [2] Durum has a separate levy. [3] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. [4] Forward trading suspended Aug. 18. Levies are for current month only. Note: Basis—30- to 60-day delivery.

Sugar and Tropical Products

U.S. Trade in Livestock Products Down in July

The value of U.S. exports of livestock, meat, and meat products at $39 million in July was down 18 percent from July of last year because of reduced shipments of lard and inedible tallow. Imports, valued at $118 million, were nearly 6 percent below last year's because of fewer entries of lamb and dutiable wool.

July exports of inedible tallow and grease, the No. 1 livestock export, were the lowest so far this year, at 162 million pounds, because of a lower level of shipments to Japan and India. There were no exports to India in July compared with 22 million pounds last year, and exports to Japan were down 62 percent to 12.5 million pounds.

Lard exports at 11 million pounds fell 70 percent from last year because shipments to the United Kingdom declined 78 percent, to 7.1 million pounds.

One interesting feature of the July export picture was the increase in raw wool exports. Raw wool is part of the general export category of animal hair. For the first 6 months of 1971, animal hair exports totaled 8.9 million pounds, most of which was mohair. In July, because of raw wool exports of 600,000 pounds (the highest monthly total since 1958), animal hair exports at 1.2 million pounds were up 12 percent from a year ago. Most of the wool was exported to Germany.

Exports of sheep, lambs, and goats at 35,000 head were nearly triple their level of a year ago as a result of a 17,000-head increase in exports to Mexico to reach 28,733 head.

Exports of horses, asses, mules, and burros were up 60 percent to 2,400 head. Larger exports to Canada (2,100 head this

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS [1]

Commodity	July 1970	July 1971	January-July 1970	January-July 1971
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	38,025	10,558	199,497	192,679
Tallow and greases:				
Inedible	185,971	161,579	1,318,893	1,490,687
Edible	500	344	10,733	5,389
Meats:				
Beef and veal	2,734	2,804	17,295	25,235
Pork	4,224	3,043	25,535	24,851
Goat, lamb and mutton	67	51	588	802
Sausages	279	297	2,308	2,289
Meat specialties	240	241	2,148	1,815
Other canned	472	632	4,682	4,467
Total red meats [2]	8,014	7,068	52,549	59,459
Variety meats	14,463	20,059	126,474	158,115
Sausage casings (animal origin)	873	867	7,064	7,614
Animal hair, incl. mohair	585	1,238	9,267	10,163
Hides and skins:				
Cattle parts	565	2,300	7,285	18,079
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	1,160	694	9,165	8,542
Calf	76	122	588	1,287
Kip	11	9	120	149
Sheep and lamb	330	305	2,189	3,220
Horse	6	2	91	68
Goat and kid	36	82	158	449
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle and calves	2,270	2,858	18,218	69,106
Sheep, lambs, and goats	13,125	35,289	77,293	154,127
Hogs	1,564	1,047	10,063	12,078
Horses, asses, mules, and burros	926	2,399	35,611	9,267

[1] Preliminary. [2] Total may not add due to rounding. Bureau of the Census.

July versus 760 head a year ago) accounted for the increase.

Boneless beef imports totaling 88 million pounds were down 13 percent from last year as a result of a 34-percent drop in arrivals from New Zealand, to 19 million pounds.

Reduced imports from Guatemala, Honduras, and Nicaragua brought prepared beef items down to 2.2 million pounds —the lowest monthly import total thus far in 1971.

Fresh, chilled, and frozen pork imports totaling 7.5 million pounds in July were 25 percent above a year ago and the highest monthly total thus far in 1971. Canada supplies nearly all of our fresh, chilled, and frozen pork imports.

U.S. IMPORTS OF MEAT AND SELECTED LIVESTOCK PRODUCTS [1]

Commodity	July 1970	July 1971	January-July 1970	January-July 1971
Red meats:				
Beef and veal:	*1,000*	*1,000*	*1,000*	*1,000*
Fresh, chilled, or frozen:	*pounds*	*pounds*	*pounds*	*pounds*
Bone-in beef	1,546	1,689	15,016	10,820
Boneless beef	101,305	88,026	625,449	554,020
Prepared items	1,964	2,196	6,826	26,882
Veal	1,286	1,302	13,962	11,125
Prepared or preserved:				
Canned:				
Corned	6,087	6,490	50,444	33,042
Other	2,103	1,058	16,259	12,933
Other	9,617	11,413	38,617	47,192
Sausage	32	302	124	1,816
Total beef & veal [2]	123,940	112,475	766,690	697,830
Pork:				
Fresh, chilled or frozen	5,995	7,451	35,072	39,994
Canned:				
Hams and shoulders	21,825	23,229	150,520	161,225
Other	3,039	1,800	20,511	13,262
Cured	422	383	3,159	2,510
Sausage	302	260	1,969	2,032
Total pork [2]	31,582	33,123	211,231	219,023
Mutton and goat	5,899	3,386	37,092	19,226
Lamb	6,655	2,228	26,792	29,237
Sausage-mixed	801	610	6,200	4,946
Other meats	1,174	964	10,535	8,901
Total red meats [2]	170,051	152,786	1,058,542	979,162
Variety meats	575	421	5,385	4,215
Edible and inedible tallow and grease	700	491	4,396	4,757
Meat extract	155	88	670	530
Wool (clean basis):				
Dutiable	7,842	2,571	60,179	30,770
Duty-free	5,820	11,266	40,824	48,564
Total wool [2]	13,661	13,837	101,002	79,334
Animal hair (clean basis)	106	268	1,494	1,575
Hides and skins:				
Cattle parts	131	117	977	1,217
Sheep skins pickled and split	1,450	802	7,865	4,755
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	36	41	237	218
Calf and kip	73	22	379	163
Buffalo	27	30	131	148
Sheep and lamb	1,294	1,877	12,649	15,171
Goat and kid	173	133	2,759	1,244
Horse	15	23	125	120
Pig	47	22	537	158
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle	42,818	29,143	711,830	519,240
Sheep	66	162	1,888	3,736
Hogs	13,734	12,258	40,000	47,833
Horses, asses, mules, and burros	366	358	1,920	2,226

[1] Preliminary. [2] Total may not add due to rounding. Bureau of the Census.

Lamb imports in July at 2.2 million pounds were the lowest since June 1970. Imports from New Zealand, which averaged 1.5 million pounds monthly in the first half of 1971, fell sharply to 100,000 pounds in July and were responsible for the decline in total lamb imports.

Dutiable wool imports fell 67 percent to 2.6 million pounds in July. Arrivals from Australia totaled only 1.8 million pounds compared with 2.9 million last year; this accounted for the difference.

Live cattle imports in July at 29,143 head were the lowest so far this year because of a drop in feeder cattle imports from Mexico. In the first 6 months of 1971, feeder cattle imports from Mexico averaged 60,000 head monthly, but July imports were only 8,000 head.

Live hog imports from Canada at 12,258 head, while down 11 percent from a year ago, were the highest in 1971.

U.S. Meat Imports Decline in July

U.S. imports subject to the Meat Import Law totaled 94.4 million pounds during July 1971, compared with 110 million in July 1970. Declared entries for consumption during January-July 1971, at 595.2 million pounds, were 13.9 percent

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW BY COUNTRY [1]

Country of origin	July 1970	July 1971	January-July 1970	January-July 1971	Percent change from 1970 Jan.-July
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Australia	56,695	52,729	336,677	257,193	−23.6
New Zealand	28,849	18,801	118,134	113,655	−3.5
Mexico	6,193	3,806	55,654	54,772	−1.6
Canada	5,701	6,038	45,631	46,402	+1.7
Ireland	3,569	5,498	37,457	43,889	+17.2
Costa Rica	1,644	1,293	26,556	30,936	+16.5
Nicaragua	3,656	1,806	27,092	21,087	−22.2
Guatemala	1,293	2,614	16,802	11,913	−29.1
Honduras	883	718	15,288	10,023	−34.4
Dominican Republic	358	940	4,429	2,331	−47.4
Panama	233	—	4,354	1,353	−68.9
United Kingdom	830	—	2,687	1,149	−57.2
Haiti	134	161	758	488	−35.6
Total	110,038	94,404	691,519	595,191	−13.9

[1] Fresh, frozen, and chilled beef, veal, mutton, and goat meat, including rejections. Excludes canned meat and other prepared or preserved meat products.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW [P.L. 88-482]

Imports	July	Jan.-July
	Million pounds	*Million pounds*
1971:		
Subject to Meat Import Law [1]	94.4	595.2
Total beef and veal [2]	112.5	697.8
Total red meat [3]	152.8	979.2
1970:		
Subject to Meat Import Law [1]	110.0	691.5
Total beef and veal [2]	123.9	766.7
Total red meat [3]	170.1	1,058.5
1969:		
Subject to Meat Import Law [1]	107.1	591.8
Total beef and veal [2]	120.3	661.6
Total red meat [3]	160.3	918.7

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton, and goat.

below the January-June 1970 level of 691.5 million.

Smaller entries for consumption from Australia and New Zealand accounted for most of the decline. Imports from Australia totaled 52.7 million pounds. New Zealand followed with 18.8 million pounds, Canada with 6 million, Ireland with 5.5 million, and Mexico with 3.8 million.

Fruits, Nuts, and Vegetables

Turkish Filbert Harvest Lower

Estimates place Turkey's 1971 filbert harvest at 165,000 short tons (in-shell basis), substantially below last year's record 265,000-ton harvest. Filberts are cyclical (alternate-bearing) in nature; thus 1971 is an "off year" following the large harvest last season.

Exports for the 1970-71 season are placed at 165,000 tons —down from the 180,000 tons shipped during the 1969-70 season. High export prices, established by the Turkish Government, are cited for the reduction in shipments. As a result of the record 1970 crop and lowered exports, an unusually large carryover of 90,000 tons is expected at the end of the current season.

Argentine Apple Exports Up, Pears Down

In the first half of 1971, Argentina's exports of apples, at 7.43 million boxes (about 50 lb. each), showed a 7.4 percent increase over exports in the first half of 1970. Exports of pears in the same period, 1.14 million boxes, were down 24.1 percent from 1970—apparently due to a substantial decline in production.

Tobacco

U.S. Tobacco Exports Expand in July

U.S. unmanufactured tobacco exports in July 1971 were a little higher in both quantity and value than in July a year ago. This brings the quantity total for the 7 months January-July 1971 to 291 million pounds, or about 19 percent more than the 245 million pounds exported in the same period of last year. The cumulative value of exports is also ahead about 22 percent, totaling $276 million during the current period, compared to $225 million a year ago. Thus, tobacco exports continued at an exceptionally high level—significantly above normal—during the first 7 months of 1971. This was apparently due to earlier movements in anticipation of shipping disturbances later in the year.

Exports of flue-cured tobacco, the major kind of U.S. leaf in export trade, are up over 25 percent during 1971, but exports of burley tobacco, the second largest type of U.S. leaf, remain nearly equal to the volume exported last year.

Exports of manufactured tobacco products are also higher, with a total value in July 1971 of $23.3 million, compared with $17.4 million in July 1970. The cumulative value for

U.S. EXPORTS OF UNMANUFACTURED TOBACCO

[Export weight]

Kind	July 1970	July 1971	January-July 1970	January-July 1971	Change from 1970
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	26,081	24,634	168,333	211,623	+25.7
Burley	2,580	3,299	25,769	25,509	−1.0
Dark-fired Ky.-Tenn.	669	1,650	10,106	10,423	+3.1
Va. fire-cured [1]	159	1,003	2,578	3,255	+26.3
Maryland	1,235	1,422	6,863	4,362	−36.4
Green River	0	17	293	987	+236.9
One Sucker	26	48	342	405	+18.4
Black Fat	157	165	1,469	1,437	−2.2
Cigar wrapper	98	329	975	1,308	+34.2
Cigar binder	6	7	100	106	+6.0
Cigar filler	0	0	202	89	−55.9
Other	3,688	3,538	27,997	31,317	+11.9
Total	34,699	36,112	245,027	290,821	+18.7
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	33.8	35.9	225.3	276.0	+22.5

[1] Includes sun-cured. Bureau of the Census.

January-July 1971 is higher by 15.5 percent at $124 million, compared with $108 million in the same period a year ago. Smoking tobacco in bulk has shown the strongest rise with 17.6 million pounds exported so far this year, representing an increase of 72 percent over the same months of 1970. Cigarette and cigar exports also continue to rise and are each about 8 percent higher than during 1971. Exports of chewing tobacco and snuff, the less important categories of tobacco products, are off about 52 percent so far this year.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	July 1970	July 1971	January-July 1970	January-July 1971	Change from 1970
					Percent
Cigars and cheroots 1,000 pieces	6,849	4,583	33,334	36,155	+8.5
Cigarettes Million pieces	2,766	3,033	17,608	17,742	+7.6
Chewing and snuff 1,000 pounds	4	0	50	24	−52.0
Smoking tobacco in pkgs. 1,000 pounds	65	213	502	811	+61.6
Smoking tobacco in bulk 1,000 pounds	1,775	4,243	10,249	17,646	+72.2
Total declared value Million dollars	17.4	23.3	107.7	124.4	+15.5

Bureau of the Census.

Crops and Market Index

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U.S. Farm Sales to EC (Continued from page 4)

production decreases in a number of major foreign countries.

U.S. exports of fruits declined to $65 million, from $70 million in 1969–70. Exports of fresh citrus and canned fruits were smaller, although exports of dried fruits and fruit juices gained slightly. Reduced production of peaches and fruit cocktail, along with higher prices, discouraged U.S. canned fruit exports, as did the EC preferences extended to citrus production in the Mediterranean area.

In general, since the inception of the CAP, U.S. fruit exports to the EC have fluctuated, with no visible trend in either an upward or a downward direction.

U.S. exports of vegetables have found a small but expanding market in the EC. Exports in 1970–71 totaled $20 million, about the same as a year earlier. They have, however, ranged from $7 million to $30 million. In recent years, about half the vegetable exports have been dry peas and beans. Demand continues strong in the EC for these U.S. exports, most of which are used in the food-processing industry. Canned vegetables have generally shown a downward trend, reflecting increased competition from developing countries.

U.S. exports of nuts and preparations rose to $21 million, from $19 million the year before. Expanded production, primarily of almonds, and small European harvests have contributed to gains in nut exports in recent years.

U.S. exports of hides and skins fell sharply to $29 million, from $41 million a year earlier. They were pushed down by lower prices, increased stocks in Europe, and uncertainty in EC export prospects for leather goods.

High EC feedgrain prices and variable levies have encouraged EC feed manufacturers to replace these grains, to the extent feasible, with certain cheaper products not subject to the levies. Most important to the United States are inedible tallow, corn gluten feed and other corn byproducts, and beet pulp.

U.S. exports of inedible tallow to the EC increased to $37 million, from $21 million in 1969–70. This value gain is generally associated with the rapid rise in demand for fats and oils; but higher prices accounted for much of the advance. Some tallow shipped to the EC is transshipped to other countries, but the EC itself uses important quantities in soap and feeds. U.S. exports of corn byproducts to the EC have gained rapidly since 1965. They were about $34 million in each of the past 2 fiscal years—sharply above the $2 million of the late 1950's. U.S. exports of beet pulp have also risen substantially.

German housewives observe uses of oils made from U.S. soybeans.

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